Report to the

Senate Appropriations Committee on Health and Human Services

House of Representatives Appropriations Subcommittee on Health and Human Services

and

Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services

Monthly Report on Community Support Services

April 2009

Session Law 2007-323

House Bill 1473

Section 10.49.(ee)

June 1, 2009

North Carolina Department of Health and Human Services

Executive Summary

Legislation in 2007 required the Department of Health and Human Services to report monthly on the use and cost of Community Support services for persons with mental health, developmental, and substance abuse disabilities. This April 2009 report includes data on the past 18 months of services. The following highlights provide a summary of that information.

Highlights

- In February 2009, slightly over 22,500 children and slightly over 11,000 adults received Medicaid-funded Community Support services. Additionally, 600 children and adolescents and slightly over 3,100 adults received State and block grant funded Community Support services.
- Overall, there has been a 19% decrease in the number of individuals being referred to Community Support services since March 2007.
- Slightly under 354,000 hours of Medicaid-funded Community Support services, at a cost slightly over $21 million, were provided to children and adolescents in February 2009. State-funded Community Support services for children and adolescents totaled slightly over 4,400 hours and cost slightly over $279,000.
- Medicaid-funded Community Support services for adults totaled slightly over 149,000 hours in February 2009, at a cost of slightly over $9 million. Slightly over 14,600 hours of State-funded services for adults were provided that month, at a cost almost $1 million dollars.
- Since its peak in March 2007 there has been a 72% reduction in spending on Medicaid and State funded Community Support for children and adolescents, and adults.
- As of April 30, 2009 1,270 provider sites were actively enrolled with Medicaid to provide Community Support services and the enrollment of 684 providers had been terminated.
- 1,305 provider sites have been referred to the Division of Medical Assistance for further investigation. Of those, 39 have been referred to the Attorney General's Medicaid Investigation Unit.
- In February 2009, the use of Medicaid-funded Community Support services averaged 16 hours per month for slightly over 10 months for children and adolescents and 13 hours per month for 12 months for adults. State-funded services were provided for half that long, on average, and at more than half of the intensity for adults and half the intensity for children and adolescents.
- The greatest numbers of persons receiving Medicaid and State-funded enhanced services other than Community Support in February 2009 were found in assertive community treatment teams (slightly under 2,400 persons) and psychosocial rehabilitation (slightly over 1,900).
- The highest average dollars of service per person served in February 2009 for Child and Adolescent services was intensive in-home for Medicaid-funded services (slightly under $2,800). For adults, Medicaid-funded community support team (slightly under $3,200) had the highest average.
- The most expensive enhanced services after Community Support (child and adolescent, and adult) in February 2009 were community support team at slightly under $9.6 million and intensive in-home services, at slightly under $ 4.6 million (Medicaid and State funds combined).

Table of Contents

Introduction

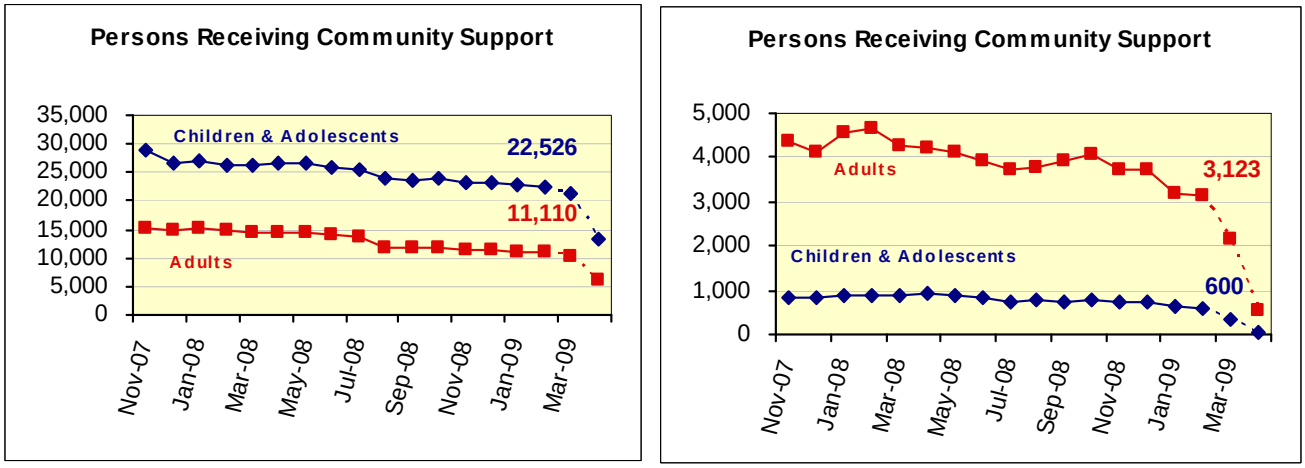
The *Monthly Report on Community Support Services* is presented in response to Session Law 2007-323, House Bill 1473, Section 10.49.(ee). The following pages show the utilization of Community Support and other Enhanced Benefit services from November 2007 to April 2009 (See page 16 for additional details). The use of Community Support services reached a peak in the spring of 2007 with over 44,000 total persons being served at a cost of over $100 million dollars per month. When the rapid growth of Community Support was recognized, policy and rate changes (See Appendices A and B) were implemented. These changes have helped to reduce the overuse of community support to slightly over 37,000 persons, while moving the system toward a more desired balance in utilization of the entire enhanced service array.

Use of Community Support Services

Number of Consumers

As indicated by Figure 1.1 below, the total number of individuals receiving Community Support services was slightly over 23,000 children and adolescents, and slightly over 14,000 adults in February 2009. In total this represents a 19% reduction in the number of person receiving Community Support services since March 2007.

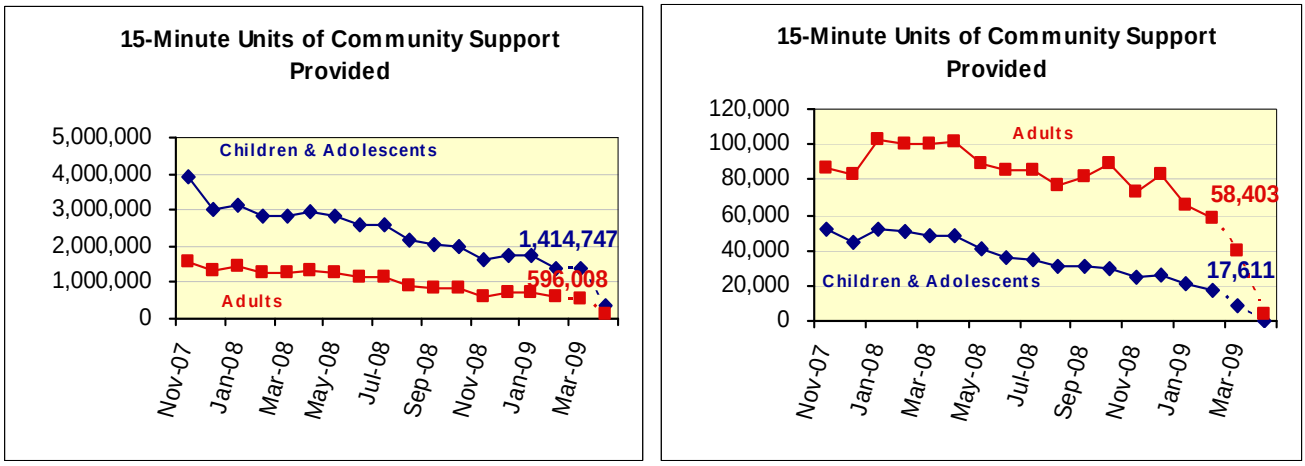
Figure 1.1
Medicaid and State-Funded Services



Volume of Services

The units of service continue to decline for Medicaid and State-Funded Community Support provided, as shown in Figure 1.2 below.

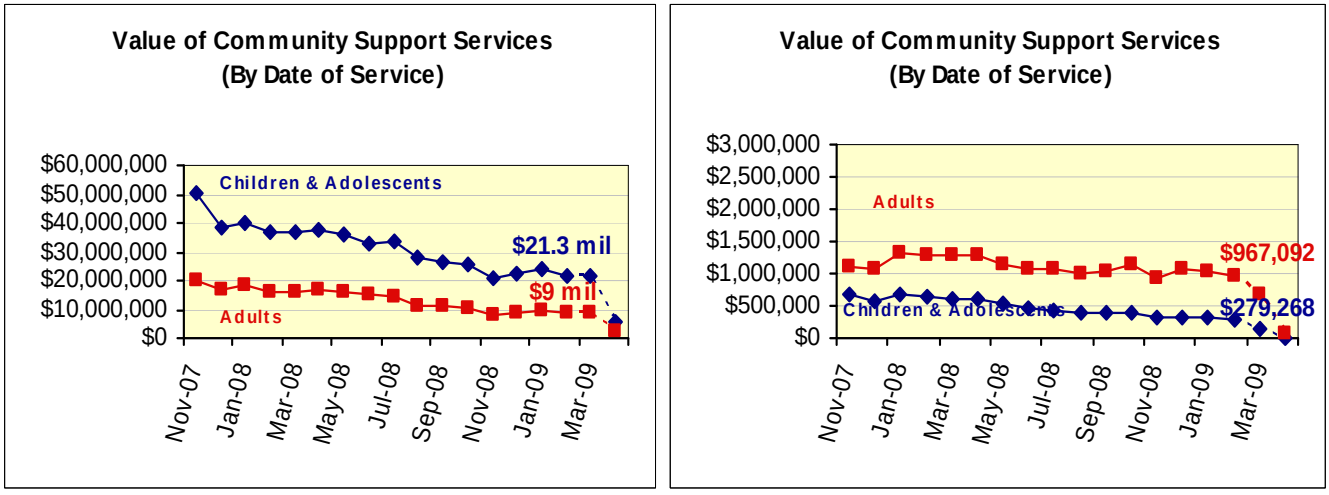
Figure 1.2
Medicaid and State-Funded Services



Cost of Services

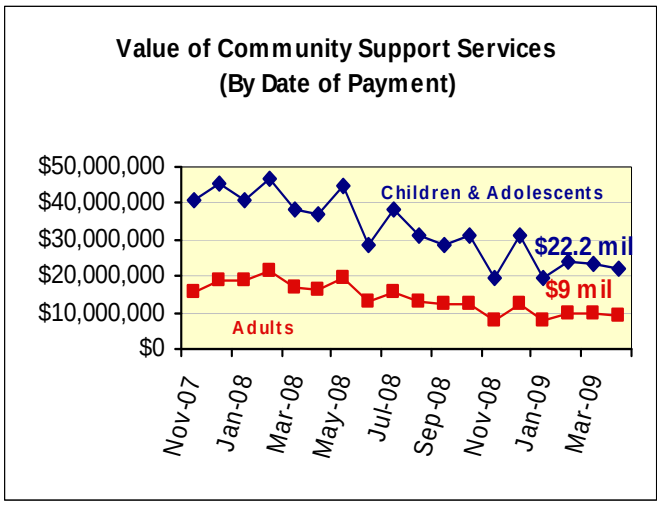
In Figure 1.3 below the monthly Medicaid cost of Community Support services provided the month of February 2009 was slightly over $21 million for children and adolescents and slightly over $9 million for adults. State funded services for adults, children and adolescents combined totaled slightly over $1 million. Since its peak in March 2007 there has been a 72% reduction in spending on Medicaid and State-funded Community Support for children and adolescents, and adults.

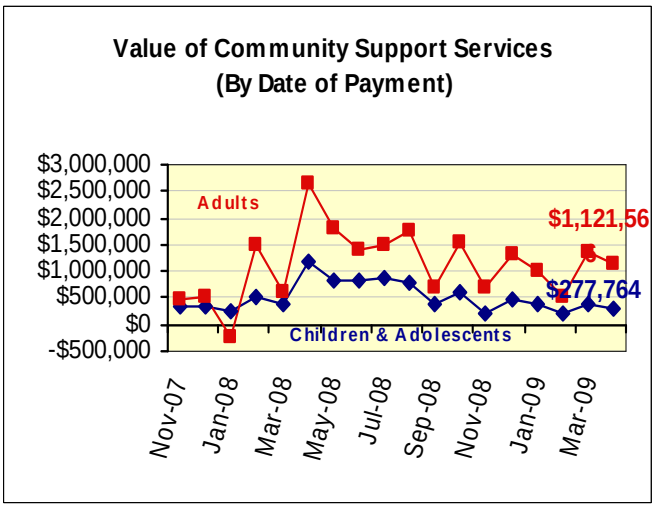
Figure 1.3
Medicaid and State-Funded Services by Date of Service



The cost of services in Figure 1.4 (Date of Payment) below reflects a similar spending pattern in April 2009.

Figure 1.4[1]
Medicaid and State-Funded Services by Date of Payment





Services by Qualified Professionals, Associate Professionals and Paraprofessionals

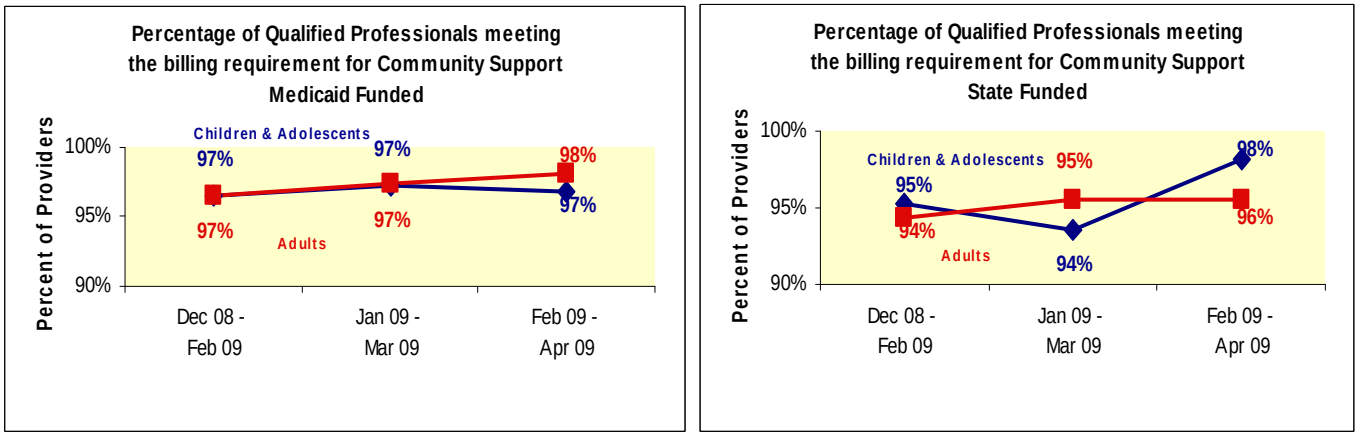
Within each provider agency enrolled to deliver Community Support services, the Qualified Professional (QP) is charged with the coordination and oversight of initial and ongoing assessment activities, ensuring linkages to the most clinically appropriate services, and with the facilitation of the Person Centered Planning process. To ensure adequate involvement and oversight by a Qualified Professional, clinical policy requires that a minimum of 25% of Community Support services per recipient be provided by the Qualified Professional over a "rolling" three month period (See Appendix B).

Figure 1.5 on the following page shows that during the three-month period of February 1, 2009-April 30, 2009, 97% of Medicaid funded providers billed the required minimum for qualified professional time for children and adolescents while 98% billed for adults. This percentage was similar to previous time periods.[2] In the same figure the pattern of billing for State funded providers is lower for adults, but slightly higher in the third quarter for children and adolescents.

[1] In January 2008, the amount of community support services billed reflects an adjustment that exceeded the amount of dollars paid; therefore, the scale shows a negative amount of Community Support services billed through IPRS.

[2] The analysis includes services provided on or after March 1, 2008, when the requirement was implemented.

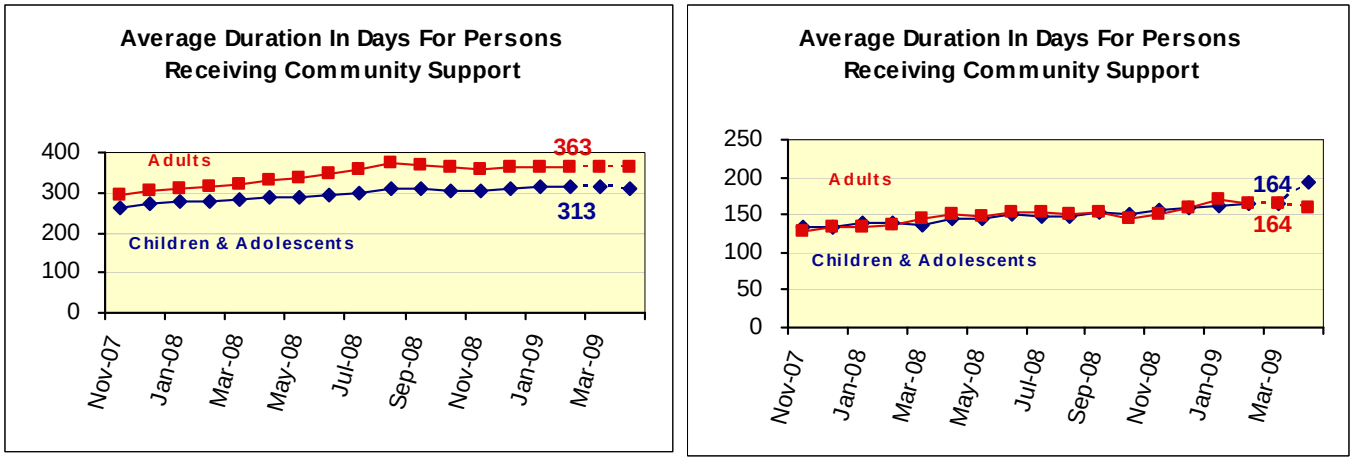
Figure 1.5
Medicaid and State Funded Services



Intensity of Services (Length of Service and Hours per Person)

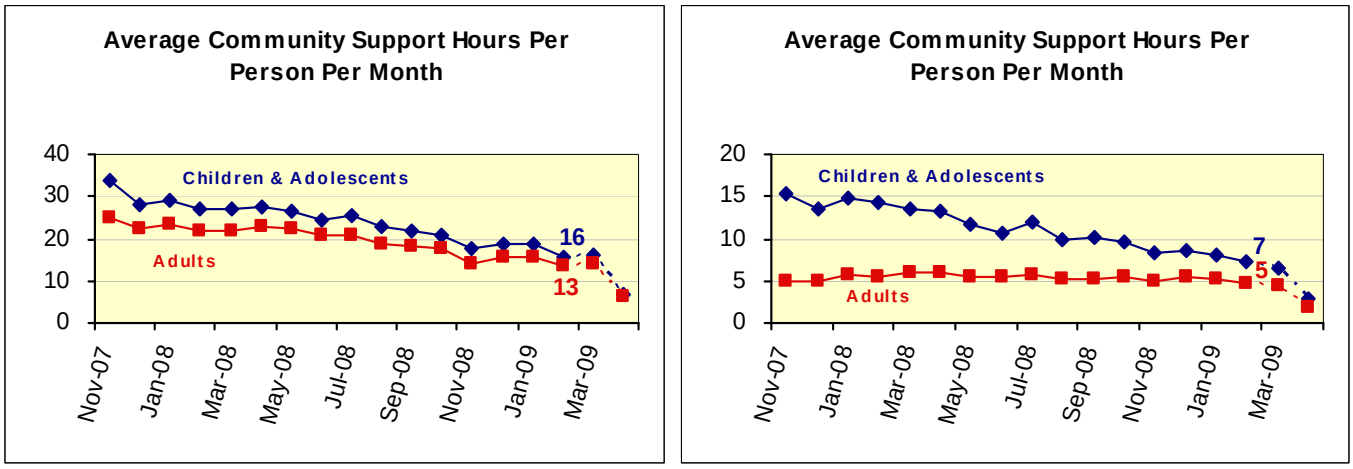
The *average length of service* or duration of services, as shown in Figure 1.6 below, shows a slight decline in the average number of days individuals remain in Community Support services. In February 2009 the average length of service was slightly over 10 months (313 days) for children and adolescents and slightly under one year (363 days) for adults. The *average length of service* for State-funded consumers, as shown in Figure 1.6 below, was slightly over five months for children and adolescents (164 days) and the same for adults (164 days).

Figure 1.6
Medicaid and State Funded Services



The average hours per person per month presents additional information for evaluating the intensity of the services provided. Figure 1.7 shows that the average hours per month for consumers receiving State funded services is less than half that supported by Medicaid funds.

Figure 1.7
Medicaid and State-Funded Services

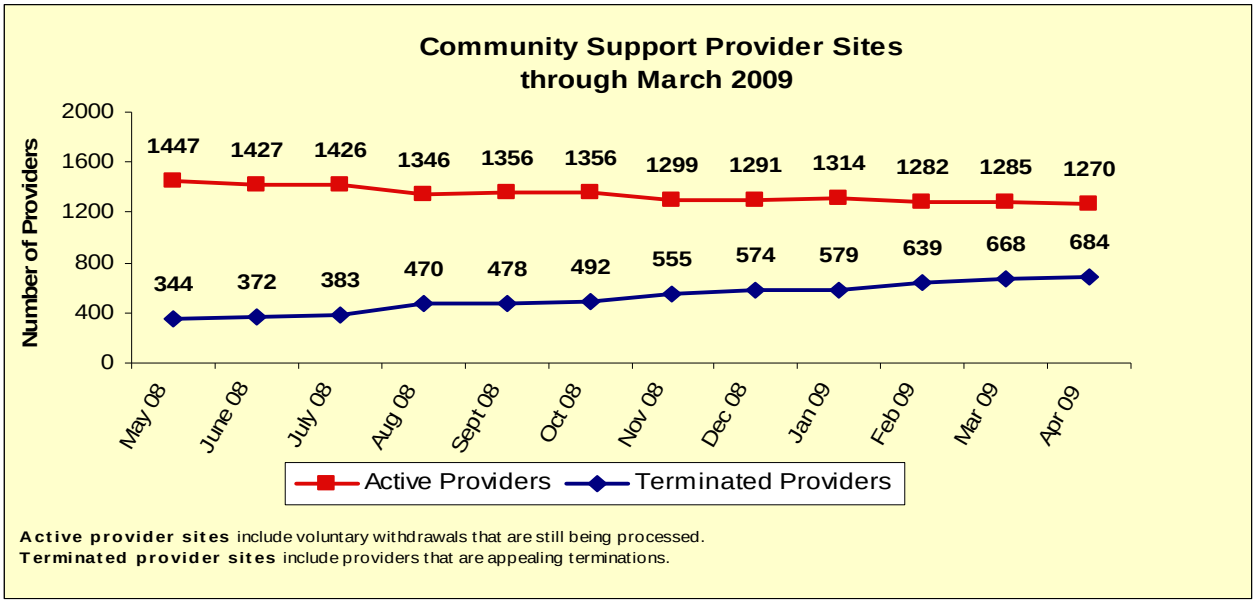


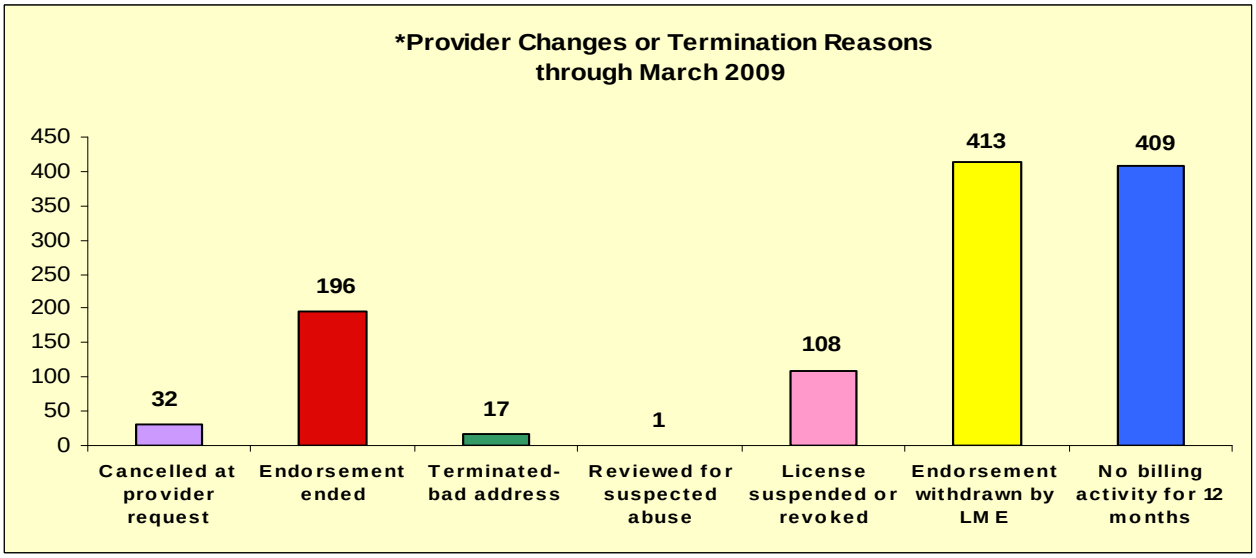
Community Support Providers

Number of Enrolled Providers

Since the enrollment of new Community Support providers was halted in November 2007, there has been an expected decrease in the number of active providers.[3] As of April 30, 2009 1,270 provider sites were actively enrolled to provide Community Support services, while enrollment for 684 provider sites was terminated.[4] In addition, the reasons for changes and terminations for the 684 providers terminated are also outline the figure below. Withdrawn endorsement by the LME, and no billing activity for 12 months, were the most frequent reasons for provider termination.

Figure 2.1





[3] Providers are identified by the specific location from which services are delivered. A single business entity that has multiple enrolled sites is counted multiple times in Figure 2.1.

[4] Terminated providers that have been reinstated as a result of hearings where decisions were overturned are moved to the "active provider" category.

Actions Taken and Providers Referred for Further Review

As shown in Figure 2.2, 1,305 Community Support providers were referred to the Division of Medical Assistance (DMA) Program Integrity (PI) Section. The fluctuation in the number of monthly PI cases opened reflect multiple cyclic review processes that include, but are not limited to; (1) the clinical post payment reviews, (2) complete service record reviews, (3) complaints, (4) DMH Accountability Spring/Fall Audits, and (5) DMH Accountability Investigative Findings. Due to the current volume of Community Support providers under review by the Program Integrity Section, the Rapid Action Committee will not review the cases prior to further action. To date, the Program Integrity Section has submitted 39 provider cases for referral to the Attorney General's Medicaid Investigation Unit (MIU).[5]

Figure 2.2

Community Support Providers Referred for Further Action
As of April 30, 2009

	Previous Totals	March Totals	April Totals	Cumulative Totals
Provider cases opened by DMA Program Integrity Section	1,179	45	40	*1,305
Providers Referred by DMA to Attorney General's Medicaid Investigation Unit	39	0	0	39

*777 cases originated from the LME reviews. The balance is from other referrals to PI. The number of provider cases may include a duplicate number of providers referred to PI. Data generated on 5/20/09.

Clinical Post-Payment Reviews

There have not been additional post-payment reviews since November 2007. When the next round of reviews are completed the results will be included in this report.

[5] Any direct referrals of community support providers to the MIU by agencies, families, or other stakeholders that do not pass through review by DMH or DMA will not be included in this report.

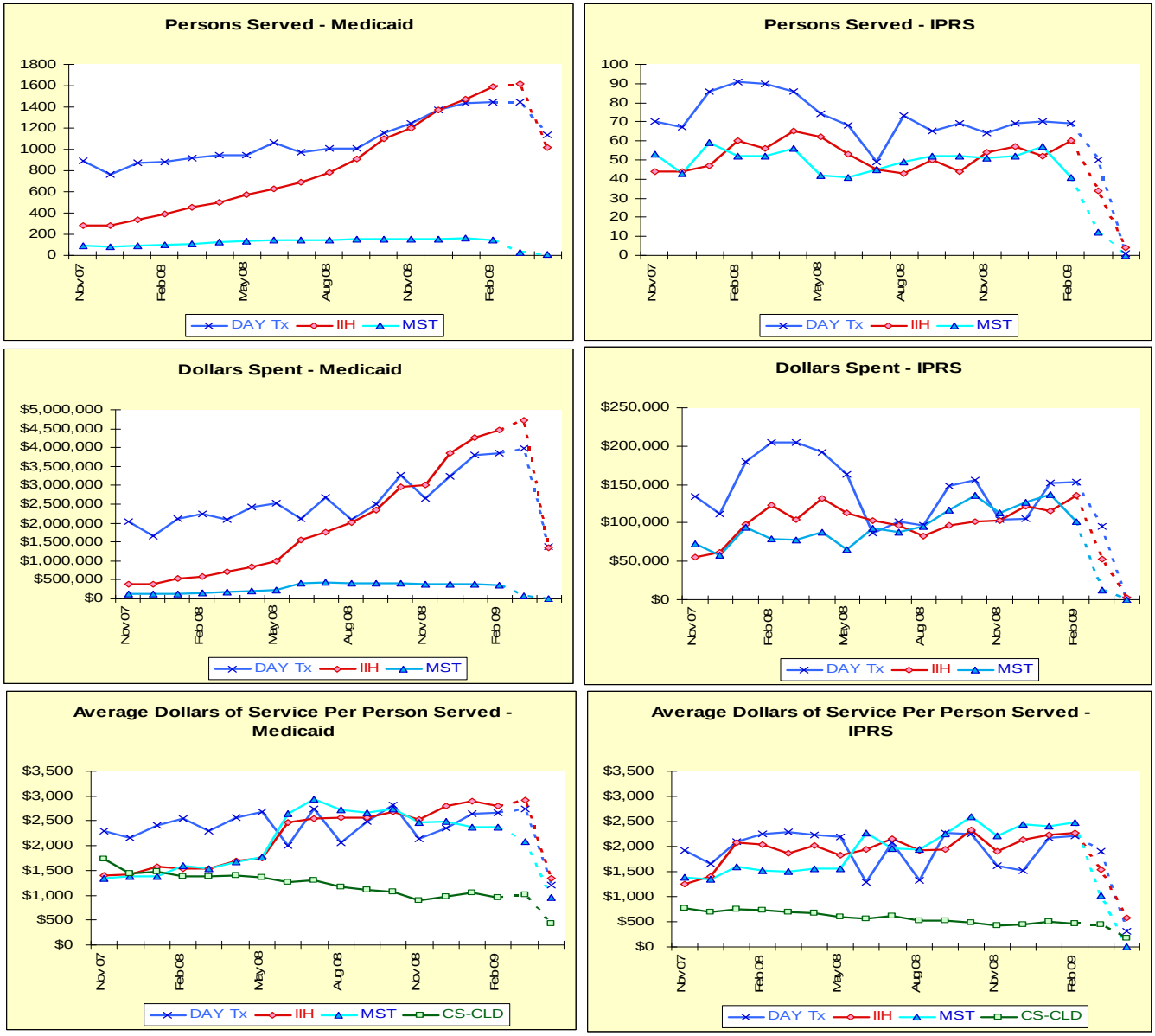
Enhanced Services

The number of individuals receiving other enhanced services in February 2009 remained much lower than the number of individuals who received Community Support during the same month (refer to Figure(s) 1.1 and Figure 1.2 on pages 3 and 4). Data from March and April are likely to be incomplete due to delays in providers' submission of service claims**.** The figures below represent the following four categories of other enhanced services: Services to Children and Adolescents; Services to Adults; Substance Abuse Services; and Crisis Intervention Services.

Children and Adolescents

As shown in Figure 3.1 below, the number of children and adolescents receiving Medicaid funded Intensive In-Home (IIH) and Day Treatment (DAY Tx) continues to increase.

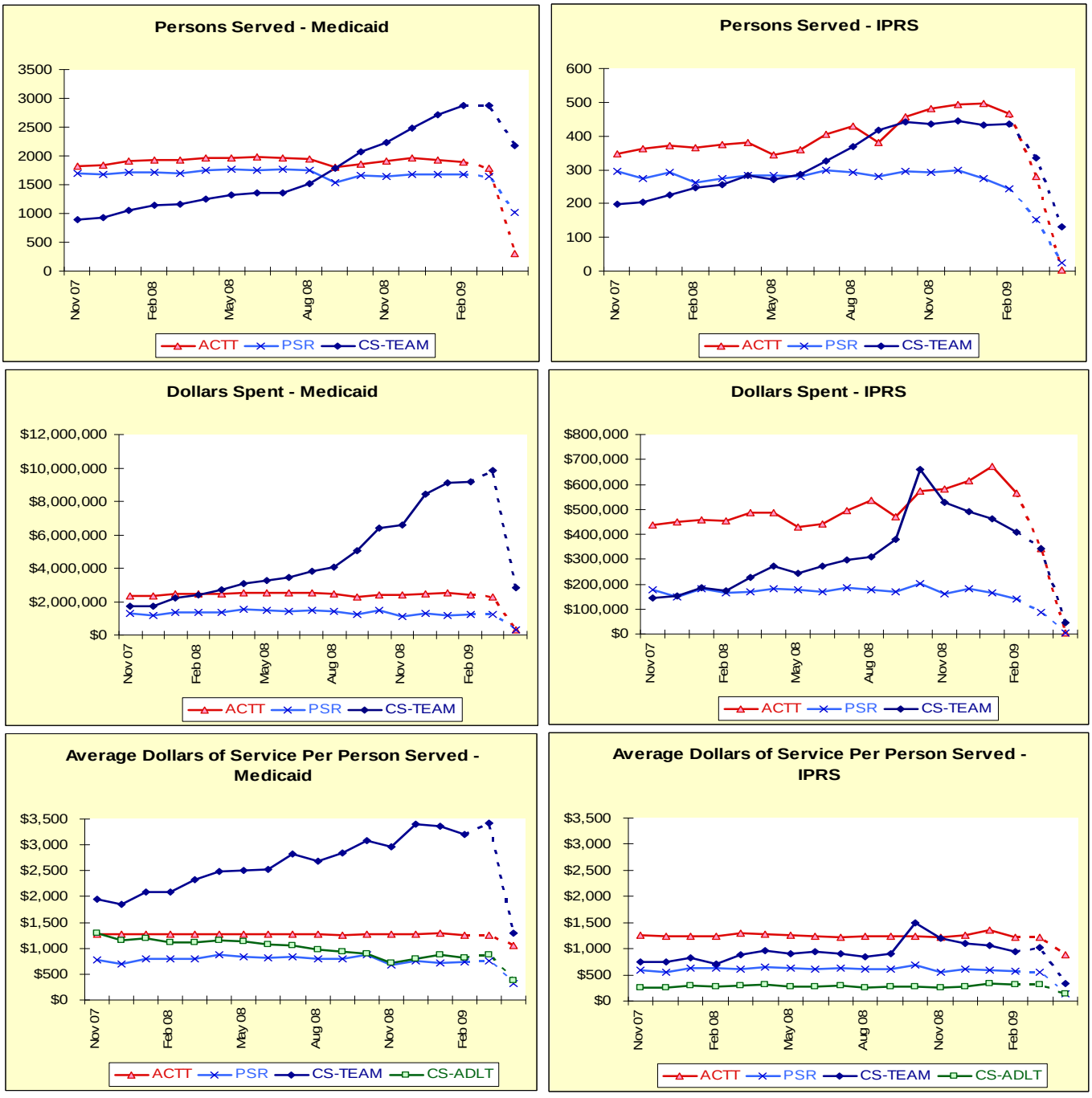
Figure 3.1
Medicaid Services and State Funded Services for Children and Adolescents



Adults

Over the past 18 months the number of adults receiving Medicaid-funded Assertive Community Treatment Team (ACTT) and Psychosocial Rehabilitation (PSR) has remained fairly stable, while Community Support Team continues to increase. State-funded CS-TEAM has remained stable over the past five months, while State-funded PSR has decreased slightly over the same period (Figure 3.2).

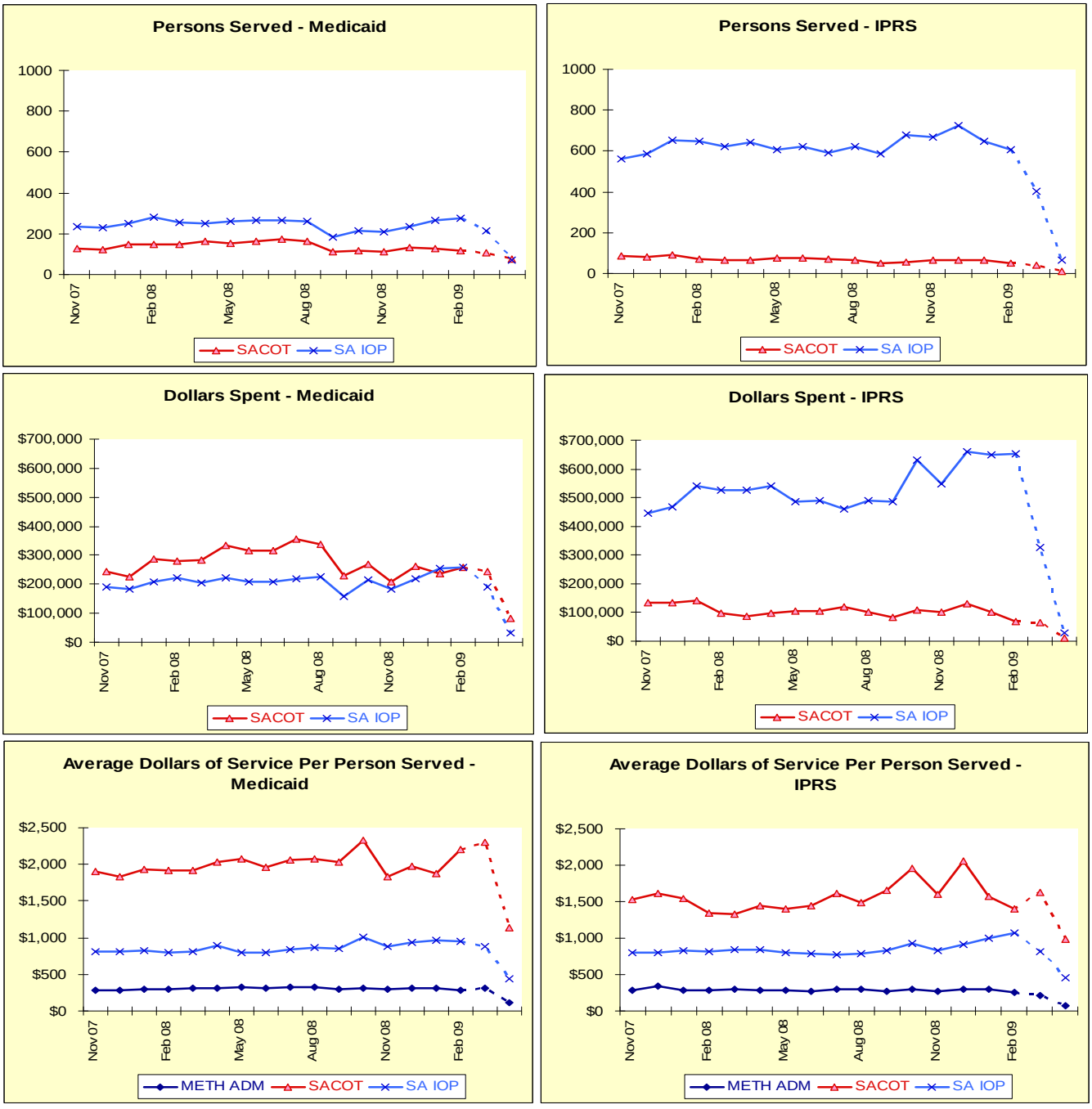
Figure 3.2
Medicaid Services and State Funded Services for Adults



Substance Abuse Services

In Figure 3.3 below, the number of individuals receiving Medicaid-funded Substance Abuse Intensive Outpatient Program (SA IOP) services has increased slightly while persons receiving Substance Abuse Comprehensive Outpatient Treatment (SACOT) services have remained fairly stable since November 2007. During the same period State-funded SACOT and SA IOP have decreased.

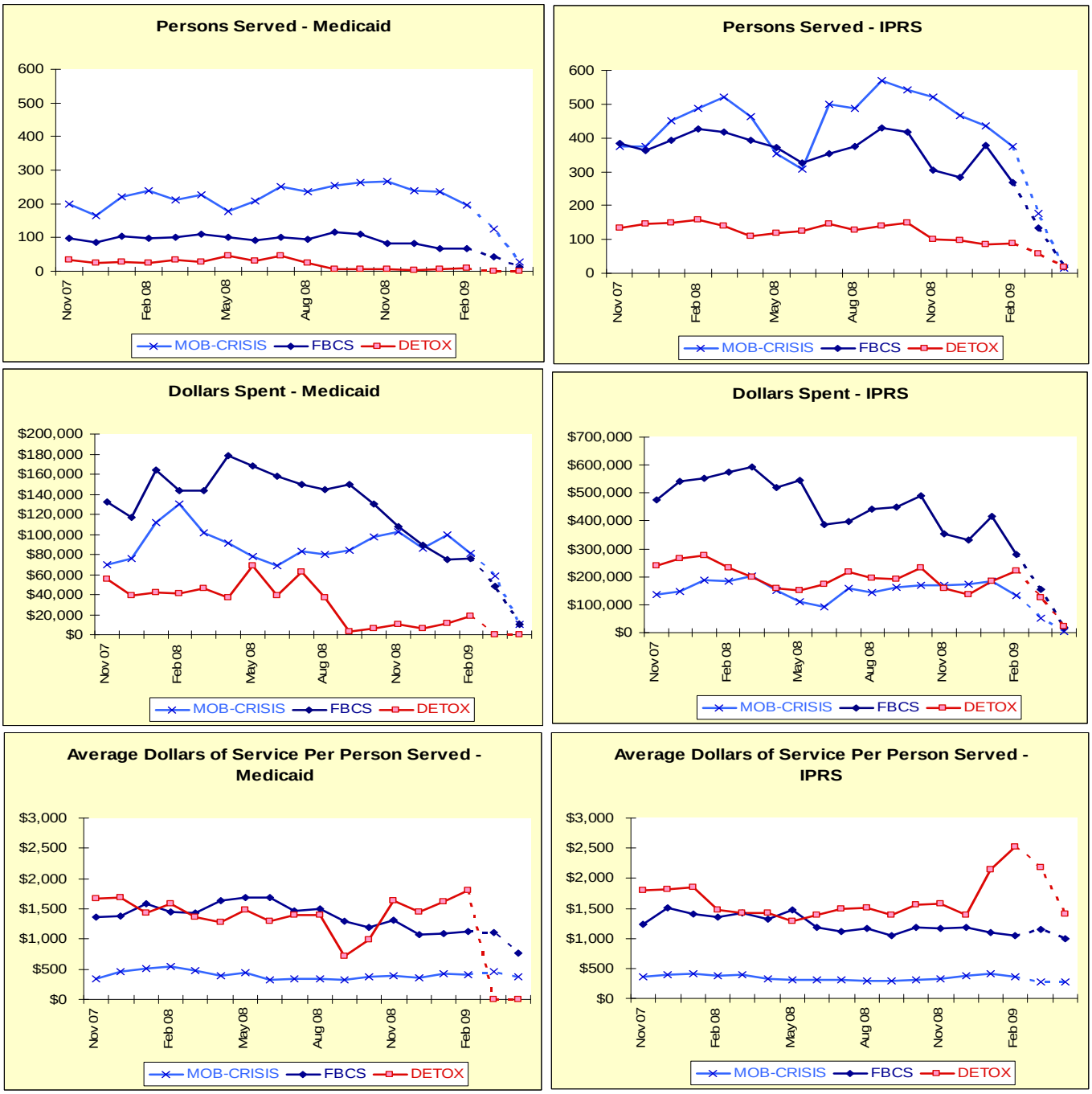
Figure 3.3
Medicaid Services and State Funded Services for Substance Abuse



Crisis Services

As shown in Figure 3.4, the number of individuals receiving Medicaid and State-funded Facility Based Crisis Program Services (FBCS) and Non-Hospital Medical Detoxification (DETOX), and Medicaid-funded Mobile Crisis Management (MOB-CRISIS) has decreased. A minimal number of Medicaid-eligible individuals utilized DETOX during the months of September 2008 to February 2009. In contrast, State-funded MOB-CRISIS, FBCS, and DETOX have decreased since March 2008.

Figure 3.4
Medicaid Services and State Funded Crisis Services



Conclusion

Overall, the use of Community Support services has continued to decrease over the past 18 months while the use of other Enhanced Benefit Services are beginning to grow. Recent legislative and policy changes, such as the Department's revision of the rates for Enhanced Benefit Services, are beginning to have an impact on the use of Community Support and other Enhanced services detailed in this report. As stated in the Executive Summary, the Department has reduced overall spending on Community Support for Adults, and Child and Adolescents by 72% since its peak in March 2007. This reduction is an indication that policy and rate changes, training, and increased monitoring have had an impact in providing better quality services to consumers and families. The Department is closely monitoring the expenditures and utilization of Intensive In-Home services for children and adolescents and Community Support Team for adults, since billing for these services have continued to increase over the past 18 months.

Appendix

Appendix A

Legislative Background

Session Law 2007-323, House Bill 1473, Section 10.49.(ee) requires the Department of Health and Human Services to "[evaluate] the use and cost of Community Support services to identify existing and potential areas of over utilization and over expenditure." Section 10.49(ee)(10) further stipulates that the Department will:

> *"Beginning November1, 2007, and monthly thereafter, report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. The report shall include the following:*
>
> *a. The number of clients of Community Support services by month, segregated by adult and child;*
> *b. The number of units of Community Support services billed and paid by month, segregated by adult and child;*
> *c. The amount paid for Community Support by month, segregated by adult and child;*
> *d. Of the numbers provided in sub-subdivision b. of this subdivision, identify those units provided by a qualified professional and those provided by a paraprofessional;*
> *e. The length of stay in Community Support, segregated by adult and child;*
> *f. The number of clinical post payment reviews conducted by LMEs and a summary of those findings;*
> *g. The total number of Community Support providers and the number of newly enrolled, re-enrolled, or terminated providers, and if available, reasons for termination;*
> *h. The number of Community Support providers that have been referred to DMA's Program Integrity Section, the Division's "Rapid Action response" committee; or the Attorney General's Office;*
> *i. The utilization of other, newly enhanced mental health services, including the number of clients served by month, the number of hours billed and paid by month, and the amount expended by month."*

Appendix B

Summary Notes

About the Data: The April 2009 Community Support report includes historic data for 18 months, which helps to identify trends in the use of Community Support services. The data span Medicaid-funded and State and block grant funded services paid through IPRS. The data – with the exception of Figure 1.4 – are based on the *date of service*, rather than the *date of payment*, as this gives a more accurate description of the actual trends in use of services. (See "Cost of Services" below for more information.)

Caution is necessary in interpreting date of service information for the most recent months. These data are likely to be incomplete due to delays in providers' submission of service claims. Data for the two most recent months (March-April) is represented by dotted lines (- - - -) in the graphs.

Medicaid funding defines children as ages 0-20; State funding defines children as ages 0-17. No Medicaid data from Piedmont Behavioral Healthcare is included in the analysis because it is the only LME that has an approved waiver through the Centers for Medicare and Medicaid Services.

Cost of Services (Page 4)

In order to present the most accurate picture of the cost of Community Support services, two methods of calculating expenditures are included.

- Patterns in service costs are calculated based on the *date of service*. These data (see Figure 1.3) provide a good representation of trends in *actual use and cost of services* each month. However, dollar amounts for the two most recent months require cautious interpretation. Due to the time needed for claims submission and processing, expenditures shown for these most recent months are likely to be incomplete.[6]
- Patterns in service payments are calculated using the *date of payment* of the service claim.[7] This information (see Figure 1.4) provides a timely representation of trends in *actual funds expended* from month to month, including the most recent months. However, information based on date of payment is less helpful for evaluating or predicting trends in use of Community Support services, due to variability in providers' claims submission practices and the number of check-write cycles that occur each month.

Services by Qualified Professionals and Paraprofessionals (Page 5)

Implementation Update #45 (July 7, 2008) clarifies the 25% aggregate service requirement. One major change is that provider compliance will be measured over a "rolling" three month period of time. Providers will also have the right to appeal any decision to withdraw endorsement, based on their ability to document billable services delivered during the three month period.

Implementation Update #46 (July 18, 2008) outlines legislative changes that will impact all costs reported and hours billed per person in all future Community Support reports. As of August 1, 2008 all community support services are subject to prior approval, and Community Support services will be limited to 8 hours per week without prior authorization.

Clarification of Implementation Update #47 (August 4, 2008) outlines the submission of proposed tiered rate changes, which will increase the percentage of services billed and delivered by Qualified Professionals to 50%. Providers will have eight months after the implementation of the tiered rates to meet the 50% standard.

[6] Each monthly report includes updated expenditures for previous months to reflect additional claims as they are paid.

[7] Calculations of service value based on the date of payment include payment adjustments. Calculations based on the date of service do not.

Implementation Update #48 (September 2, 2008) outlines rate changes for all Medicaid and State funded Enhanced Benefit services.

Implementation Update #49 (November 6, 2008) outlines changes in the provider status, a date change to January 1, 2009 for three of the Enhanced Benefit Services, suspension of monitoring the 25% Qualified Professional requirement for State-funded Community Support, and a reminder to LME's to begin notifying providers that have not met the 25% requirement.

Implementation Update #50 (November 3, 2008) outlines preliminary results from 2008 Community Support Medicaid Audits.

Implementation Update #51 (December 1, 2008) outlines how providers can notify the Division of Medical Assistance on their current enrollment status.

Implementation Update #52 (January 14, 2009) outlines the new tiered rates for Community Support services and new modifiers for Qualified Professional and non-Qualified Professional staff. Any claims submitted after January 22, 2009 will need to be billed using the new tiered rates process.

Implementation Update #53 (February 3, 2009) outlines the revised plan of correction (POC) policy.

Implementation Update #54 (March 2, 2009) outlines the new tiered rates for Community Support Child, Adult and Group. The update also includes the new Community Support service definition and the calculation of the new Community Support Qualified Professional standard.

Implementation Update #55 (April 3, 2009) outlines the revised guidance for Endorsement Appeals.

Implementation Update #56 (May 6, 2009) outlines the revised effective date for the revised service definitions for ACTT, provides a revision to the CS QP% calculation, and clarifies the Licensed Professional definition.